

Message Text

UNCLASSIFIED

PAGE 01 BELGRA 01358 171809Z
ACTION EUR-12

INFO OCT-01 ISO-00 XMB-04 EB-08 AID-05 COME-00 TRSE-00
L-03 /033 W

-----074830 171907Z /46

P 171737Z FEB 78
FM AMEMBASSY BELGRADE
TO SECSTATE WASHDC PRIORITY 5264

UNCLAS BELGRADE 1358

PASS EXIM - EXIM FOR V.P. ALBRIGHT

DEPT. FOR EUR/EE - MR. FROMOWITZ

E.O. 11652: N/A
TAGS: EFIN, EINV, YO
SUBJ: EXIM LOANS

1. DURING AMBASSADOR'S VISIT TO SARAJEVO ON FEB. 14, SUBHIJA KARAMEHIC, CHAIRMAN OF THE BUSINESS BOARD OF WIRE MILL WHICH IS PART OF RMK ZENICA, ASKED FOR EMBASSY'S ASSISTANCE IN OBTAINING ONE YEAR MORATORIUM ON LOAN PAYMENTS TO US BANKS DUE SUMMER 1978. TWO LOANS ARE INVOLVED: ONE FOR DOLLARS 24.8 MILLION IN WHICH EXIM PARTICIPATING WITH DOLLARS 9.3 MILLION AND BALANCE PROVIDED BY SYNDICATE OF US BANKS HEADED BY BANK OF AMERICA (FIRST PAYMENT DUE JULY 10, 1978); AND SECOND FOR DOLLARS 6.7 MILLION PROVIDED BY SYNDICATE OF COMMERCIAL BANKS ONLY HEADED ALSO BY BANK OF AMERICA (FIRST PAYMENT DUE AUGUST 2, 1978). TOTAL AMOUNT OF BOTH PAYMENTS DUE THIS SUMMER SAID TO BE OVER DOLLARS 7 MILLION, ALTHOUGH THIS FIGURE STRIKES US A HIGH.

2. KARAMEHIC SAID PLANT WHICH WAS TO BE COMPLETED IN SUMMER 1978 WILL NOT BE COMPLETED UNTIL SUMMER 1979 AND THIS DELAY CAUSES DOLLARS 5 MILLION LOSS TO ENTERPRISE. HE ATTRIBUTED DELAY TO LATE DELIVERIES OF
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BELGRA 01358 171809Z

EQUIPMENT FROM UNITED STATES STEEL ENGINEERS AND CONSULTANTS, INC. (UEC) BUT ALSO ACKNOWLEDGED LACK OF EQUIPMENT AND MATERIEL ON YUGOSLAV SIDE. IN SEPARATE CONVERSATION MR. KEITH EWING, PROJECT DIRECTOR FOR UEC SAID THT DELAY HAS RESULTED BECAUSE OF IMPRECISE WORDING IN CONTRACT, WHICH CAUSED INNUMERABLE DISPUTES AS TO WHO DOES WHAT, AND INABILITY OF WIRE MILL TO PAY FOR DELIVERED

EQUIPMENT AS SPECIFIED. LATTER PROBLEM HAS BEEN SOLVED AS OF JANUARY 1, 1978, HOWEVER, WHEN ENTERPRISE GOT NEW LOAN. KARAMEHIC TOLD AMBASSADOR NEW LOAN IS IN AMOUNT OF DOLLARS 50 MILLION FROM EUROPEAN BANKS.

3. KARAMEHIC AND EWING BOTH SAID PROBLEM IS PRESENTLY BEING ADDRESSED BY MR. FRANK SHERRY, UNITED STATES STEEL INTERNATIONAL, 600 GRANT STREET, PITTSBURGH. ALSO INVOLVED IS MR. NORM PACE, SENIOR PROJECT MANAGER, UEC, SAME ADDRESS AS THAT FOR MR. SHERRY.

4. ENTERPRISE SAID THEY PLANNING TO SEND TEAM TO US IN LATTER PART OF MARCH TO DISCUSS THIS PROBLEM. TEAM WOULD BE COMPOSED OF REPRESENTATIVES OF PROGRES (THE AGENT FOR THE ENTERPRISE), THE PRIVREND BANKA OF SARAJEVO, AND THE ENTERPRISE ITSELF.

5. FROM INFORMATION SUPPLIED BY ENTERPRISE, IT APPEARS FIRST PAYMENT TO EXIM IS NOT DUE UNTIL JULY 10, 1984. BECAUSE OF EXIM PARTICIPATION OVERALL LOAN, HOWEVER, BELIEVE THAT LOAN REPAYMENT PROBLEM OF IMMEDIATE INTEREST TO EXIM.

6. REQUEST DEPARTMENT (MR. FROMOWITZ) CONTACT MR. SHERRY, DETERMINE STATUS OF HIS EFFORTS TO ARRANGE DELAY IN PAYMENT, AND ASSIST TO EXTENT UNCLASSIFIED

UNCLASSIFIED

PAGE 03 BELGRA 01358 171809Z

POSSIBLE IN WORKING OUT SUITABLE SOLUTION WITH BANKS INVOLVED.
EAGLEBURGER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LOANS, DEBT REPAYMENTS, FINANCIAL AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 feb 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BELGRA01358
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780074-0550
Format: TEL
From: BELGRADE
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780244/aaaabkly.tel
Line Count: 97
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 0e6047d5-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: ONLY
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: ONLY
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 16 feb 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3566622
Secure: OPEN
Status: NATIVE
Subject: EXIM LOANS
TAGS: EFIN, EINV, YO
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/0e6047d5-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014